

Social Security Number Protection Task Force
Report to the Illinois General Assembly, Governor Pat Quinn,
and Secretary of State Jesse White
December 31, 2009

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TASK FORCE BACKGROUND

The Social Security number (SSN) remains the key piece of sensitive personally identifiable information that identity thieves use to commit fraud. The SSN was intended to be used solely to distribute Social Security benefits, but in the years since its inception in 1935, it has been also used as a unique identification number. The SSN is therefore not only tied to an individual's credit report, financial records, and Social Security earnings with the federal government, but is also present in employment, educational, health, insurance, and criminal records. The wide dissemination of SSNs in this way increases the likelihood that the numbers can be accessed and subsequently used for fraudulent purposes.

Consumers are therefore encouraged to limit their exposure to identity theft by protecting their SSNs. Businesses are also encouraged to do their part by taking necessary steps to limit the collection of SSNs, protect SSNs in their possession, and dispose of documents containing SSNs in a manner that renders them unusable. Local and state government agencies also have a role in protecting SSNs they maintain and reducing the continued widespread dissemination. Government agencies have the larger task of maintaining a system of open records for the public, while taking measures to reduce the amount of sensitive personally identifiable information in those records.

The General Assembly created the Social Security Number Protection Task Force (Task Force) through Public Act 93-0813 in 2004. The Task Force is charged with examining the procedures used by the State to protect an individual against the unauthorized disclosure of his or her SSN when the State requires the individual to provide that number to an officer or agency of the State. The Task Force also is required to explore the technical and procedural changes that are necessary to implement a unique identification system to replace the use of SSNs by State and local governments for identification and record-keeping purposes. In 2007, the General Assembly amended the law governing the Task Force by Public Act 95-0482. The Office of the Attorney General is charged with chairing and administering the activities of the Task Force.

The Task Force brings together representatives from many state agencies and constitutional offices to address these timely issues, and ultimately recommend rules, regulations or legislation that will prevent the further dissemination of SSNs.

Membership of the Task Force:

- Two members representing the House of Representatives, appointed by the Speaker of the House – **Representative John Fritchey, Representative Sara Feigenholtz**
- Two members representing the House of Representatives, appointed by the Minority Leader of the House – **Representative Sandra Pihos, TBA**
- Two members representing the Senate, appointed by the President of the Senate – **Senator Jeffrey Schoenberg, Senator Jacqueline Collins**
- Two members representing the Senate, appointed by the Minority Leader of the Senate – **Senator Chris Lauzen, TBA**
- One member representing the Office of the Attorney General – **Deborah Hagan, Task Force Chair**
- One member representing the Office of the Secretary of State – **Micah Miller**
- One member representing the Office of the Governor – **Jay Stewart**

- One member representing the Department of Natural Resources – **J.J. Pohlman**
- One member representing the Department of Healthcare and Family Services – **Tamara Hoffman**
- One member representing the Department of Revenue – **George Logan**
- One member representing the Department of State Police – **Patrick Keen**
- One member representing the Department of Employment Security – **Joseph Mueller**
- One member representing the Illinois Courts – **James Morphew**
- One member representing the Department on Aging – **Patricia Carter**
- One member representing Central Management Services – **TBA**
- One member appointed by the Executive Director of the Board of Higher Education – **Don Sevenser**
- One member appointed by the Secretary of Human Services – **Solomon Oriakhi**
- Three members representing local-governmental organizations – **Dorothy Brown, Larry Reinhardt, Virginia Hayden**
- One member representing the Office of the State Comptroller – **Whitney Rosen**
- One member representing school administrators, appointed by the State Superintendent of Education – **Sara Boucek**

TASK FORCE MEETING, OCTOBER 13, 2009

On Tuesday, October 13, 2009, the Task Force convened at the Office of the Attorney General in Springfield. Some of the Task Force members participated in the meeting via conference call. Interested parties who are not official members of the Task Force participated as well.

Those participating in the meeting included:

Deborah Hagan, Office of the Attorney General (Task Force Chair)

Christine Nielsen, Office of the Attorney General

Representative Sandy Pihos

Representative Naomi Jakobsson

Representative Sara Feigenholtz

Senator Jeffrey Schoenberg

Dave Kornecki, Representative John Fritchey's office

Micah Miller, Secretary of State's Office

George Logan, Department of Revenue

Joseph Mueller, Illinois Department of Employment Security

Elena Demos, Cook County Court Clerk's office

Martha Younger-White, Department of Human Services

Sara Boucek, Illinois State Board of Education

Greg Muller, Illinois State Police

Don Sevenser, Illinois Board of Higher Education

Jay Stewart, Governor's Office

Peg Tanner, Department of Human Services

Marla Harris, Illinois Department of Financial and Professional Regulation

Stanley Wojciechowski, Illinois Department of Financial and Professional Regulation

Mark Wilkans, Illinois Association of Chiefs of Police

Matt Davidson, Illinois Municipal League

Scott Selinger, Illinois Bankers Association

Part I: Protection of SSNs in the Public Record

The first statutory requirement of the Social Security Number Protection Task Force Act is to examine the procedures used by the State to protect an individual against the unauthorized disclosure of his or her Social Security number (SSN).

State Legislative Update

On May 28, 2009, both houses passed HB547, which creates the Identity Protection Act. It was sent to the Governor on June 26, 2009 and the Governor issued an Amendatory Veto on August 25, 2009. The House accepted the Governor's Amendatory Veto on October 14, 2009 and the Senate accepted the Governor's Amendatory Veto on October 30, 2009. HB547 has an effective date of January 1, 2010.

Identity Protection Act

During the Task Force meeting on October 13, the Task Force Chair provided the members with an outlined summary of HB547. The Identity Protection Act prohibits a person, or State or local government agency from publicly posting or displaying the SSN; printing the SSN on cards required for access to products or services; requiring an individual to transmit his or her SSN over the Internet, unless the connection is secure or the SSN is encrypted; or printing an SSN on any materials that are mailed, with exceptions. These prohibitions go into effect July 1, 2010.

Also beginning July 1, 2010, no person or State or local government agency may collect, use, or disclose a SSN unless required to do so under state or federal law; the need and purpose for the SSN is documented before the request; and the SSN collected is relevant to the documented need and purpose. There are several exceptions to the prohibitions in this section.

A person or State or local government agency must comply with the provisions of any other State law with respect to allowing the public inspection and copying of information or documents containing all or any portion of an individual's SSN. A person or State or local government agency must redact social security numbers from the information or documents before allowing the public inspection or copying of the information or documents.

The Act does not apply to collection, use, or release of a SSN as required by State or federal law, rule, or regulation, or the use of SSN or other identifying information for internal verification or administrative purposes. The Act does not apply to documents that are recorded with a county recorder or required to be open to the public under any State or federal law, rule, or regulation, applicable case law, Supreme Court Rule, or the Constitution of the State of Illinois.

State and local government agencies must draft and approve an Identity Protection Policy by January 1, 2011. County recorders must also comply with this section. The Identity

Protection Policy must require all employees who have access to SSNs to be trained to protect the confidentiality of SSNs; direct that only employees who are required to use or handle information or documents that contain SSNs to have access; require that SSNs requested from individuals be provided in a manner that makes the SSN easily redacted; and require that, when collecting SSNs, a statement of the purpose or purposes for which the agency is collecting and using the SSN be provided. The Policy must be implemented within 12 months of approval.

The Judicial branch and clerks of court are not subject to provisions of the Act, but the Supreme Court is required under its rulemaking authority to adopt requirements applicable to the judicial branch, including clerks of court, regulating the disclosure of SSNs.

Social Security Numbers in the Predatory Lending Database

On October 13, the Task Force discussed a constituent concern regarding the collection of Social Security numbers for the Predatory Lending Database.

Identity Protection Policy/Information Security Program

Under the Identity Protection Act, all State and local government agencies must draft, approve and implement an Identity Protection Policy. During the meeting on October 13, members requested that the Office of the Attorney General distribute or post a sample Identity Protection Policy that other agencies can use as a template. The Office of the Attorney General will draft a template for use by other agencies.

Federal Red Flag Guidelines

State and local government agencies may be subject to the Federal Red Flag Guidelines, which require all financial institutions and creditors to develop and implement a written Identity Theft Prevention Program that is designed to detect, prevent, and mitigate identity theft. The Federal Trade Commission's definition of "creditor" is very broad, and includes entities that regularly allow for deferred payment for goods or services. The FTC has delayed enforcement of the Red Flags Rule to June 1, 2010.

A State or local government agency may be a creditor if it regularly defers payment for goods or services or provides goods or services and bills individuals later. Entities that regularly grant loans may fall under the definition of "creditor," too. Examples of entities that regularly grant loans, arrange for loans or the extension of credit, or make credit decisions are: finance companies, mortgage brokers, real estate agents, automobile dealers, and retailers that offer financing or help consumers get financing from others by processing credit applications.

The Red Flags Rule requires that the Identity Theft Prevention Policy:

- Identify relevant Red Flags and incorporate those Red Flags;
- Detect Red Flags;
- Respond appropriately to any Red Flags that are detected to prevent and mitigate identity theft; and
- Ensure the Program is updated to reflect changes in risks to customers and to the safety and soundness of the financial institution or creditor from identity theft.

During the meeting on October 13, the Task Force briefly discussed the Red Flag Guidelines. Although the Identity Protection Policies agencies will be implementing pursuant to HB547 will be a good start for agencies required to comply with Red Flags, they are not enough. The Red Flags cover the similar yet separate issue of mitigating identity theft when a customer or client transacts directly with the agency.

Part II: SSNs as Internal Identifiers

The second requirement of the Task Force is to explore the technical and procedural changes that are necessary to implement a unique identification system to replace the use of SSNs for identification and record-keeping purposes by State and local governments.

State and Local Agency Implementation of Unique Identifiers

State and local government agencies continue to internally assess the collection and use of SSNs. Such an assessment will be critical as agencies draft and implement their Identity Protection Policies pursuant to HB547.

Department of Human Services

The Department of Human Services has begun implementing a unique identification number system for clients. Through collaborative efforts, DHS has assigned over one million Recipient Identification Numbers (RINs) for customers who receive DHS services provided by Mental Health, Developmental Disabilities, Rehabilitation Services, Community Health and Prevention, and Alcoholism and Substance Abuse. Previously, RINs had only been used by the Division of Human Capital Development (HCD), the DHS department that provides customers with cash, medical, and food stamp benefits. Regardless of the services received, a customer should have a single RIN. Those customers who have received a RIN for cash, medical, or food stamp benefits will be reassessed by DHS to determine if that RIN can be used for other services. Coordinating across DHS departments is integral to the success of the RIN system.

The seven Illinois agencies charged with delivering healthcare and human services to state residents have begun to work together to improve the delivery of these services to residents in need. This collaborative effort, called the Framework, brings together Department on Aging, Department of Children & Family Services, Department of Commerce and Economic Opportunity, Department of Employment Security, Department of Healthcare & Family Services, Department of Human Services, and Department of Public Health. These agencies that are a part of the Framework have already identified areas of focus including improving customer service and modernizing technology. Currently, customers of these agencies do not receive a single, unique identification number. Such a number may assist the Framework in meeting its goal of streamlining data sharing between agencies without compromising the security of sensitive personally identifiable information. The Framework has initiated an effort to establish a single client identifier across these seven agencies and in doing so will build upon the work that DHS has already begun on the RIN.

TASK FORCE APPOINTMENTS

Many members of the Task Force were appointed soon after the Task Force became effective, and in 2007 and 2008 when more appointments became necessary. The following recent appointments have been made to the Task Force.

On December 1, 2009, Jonathon E. Monken, Director of the Illinois State Police, appointed Patrick E. Keen to the Task Force. Mr. Keen is the Deputy Director, Division of Administration.

CONCLUSION

Illinois residents continue to express concern about the widespread dissemination of their Social Security numbers, and many are beginning to question whether to divulge their personal information in some situations. The SSN Protection Task Force brings together local and state government stakeholders to discuss these ongoing concerns and the ways that government can work with consumers to better protect against identity theft and other fraud.